Transfer of oil and gas blocks to private companies

3500. SHRI JIBON ROY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the number of oil or gas blocks, discovered by ONGC and other related PSUs which have been transferred to private multinational companies through open bid;

(b) whether it is a fact that the development cost incurred by the PSUs are not being realised from the private and multinational companies; and

(c) whether it is also a fact that private and multinational oil companies are enjoying extra benefits through waiver of social responsibilities of PSUs?

THE MINISTER OF PERTOLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) 29 oil and gas blocks discovered by Oil and Natural Gas Corporation Ltd. (ONGC) and Oil India Ltd. (OIL), have been awarded to private and multinational companies through international competitive bidding. 28 Production Sharing Contracts (PSCs) have been signed. For one block, the PSC is being finalized.

(b) The bids for discovered fields were invited through international competitive bidding system on specified terms and conditions. The total Government take such as royalty, cess, profit petroleum, signature bonus, production bonus, past cost etc. offered by various bidding companies was the criteria for evaluation. Reimbursement of past cost incurred by ONGC or OIL in form of signature bonus, production bonus or in the form of past cost, was one of the criteria of evaluation.

The awards were based on total Government take.

(c) The rights and obligations of the Government and companies are governed by the provisions of the PSC and there is no question of Government waiving any obligation of the contractors.

HPCL's Refinery Project in Saudi Arabia

3501. SHRIMATI S. G. INDIRA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the HPCL is considering to set up refinery facility in Saudi Arabia;

(b) if so, the details thereof;

(c) whether it is also a fact that OVL and IOC were considering the prospect of exploration and production in the field of Natural Gas sector;

(d) if so, the details thereof;

(e) whether any discussions were held with the Government of Saudi Arabia in this regard; and

(f) if so, the details thereof?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) Saudi Aramco, the National Oil Company of Saudi Arabia, recently invited Expressions of Interest for setting up a refinery and petrochemicals project in Yanbu, Saudi Arabia. HPCL have indicated their interest in this regard. Negotiations are continuing.

(c) and (d) ONGC Videsh Limited continuously looks for good exploration and production (E & P) opportunities in the oil and gas rich regions of the world, including Saudi Arabia. However, the Company has not yet entered into an agreement for any E & P project in Saudi Arabia.

Indian Oil Corporation Limited (IOC) had shown interest in three gas exploration blocks offered by Saudi Arabia in 2003. As the project was of high risk and required highly experienced operators with international expertise of operating in such areas, IOC felt it more appropriate to form a consortium with one of the oil majors. However, the consortium could not be formed for joint participation. Hence, looking into the associated risk, this opportunity was not pursued further by IOC.

(e) and (f) Bilateral discussions were held with Saudi Arabia during the visit of the Minister of Petroleum & Natural Gas to Saudi Arabia between the 28th and 31st March, 2005. It has been decided, *inter-alia,* to form a Joint Technical Committee to discuss the proposals further.

Directions on setting-up of oil refineries

3502. SHRIMATI S. G. INDIRA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that setting-up of refinery at the well head of any well by any Public Sector oil company would be a cost reduction measure;

(b) if so, whether Government have issued any directions in this regard;

(c) whether it is also a fact that many State Governments had demanded to set up refineries at the place where oil were discovered; and